

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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In re :
CITY OF DETROIT, MICHIGAN, : Chapter 9
Debtor. : Case No. 13-53846
: Hon. Steven W. Rhodes
: :
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**NOTICE OF REVISED PROPOSED ORDER IN CONNECTION WITH MOTION
OF CREDITORS FOR ENTRY OF AN ORDER PURSUANT TO SECTION 105(a)
OF THE BANKRUPTCY CODE DIRECTING THE DEBTOR TO COOPERATE
WITH INTERESTED PARTIES SEEKING TO CONDUCT DUE DILIGENCE
ON THE ART COLLECTION HOUSED AT THE DETROIT INSTITUTE OF ARTS**

PLEASE TAKE NOTICE THAT:

1. On April 9, 2014, the undersigned creditors (the “**Creditors**”) filed the *Corrected Motion of Creditors for Entry of an Order Pursuant to Section 105(a) of the Bankruptcy Code Directing the Debtor to Cooperate with Interested Parties Seeking to Conduct Due Diligence on the Art Collection Housed at the Detroit Institute of Arts* [Docket No. 3925] (the “**Motion**”). Attached to the Motion as Exhibit 1 is the proposed Order granting the relief requested in the Motion (the “**Proposed Order**”).
2. On May 1, 2014, the Court issued the *Order Requiring More Specific Proposed Order* [Docket No. 4336], ordering the Creditors to file, by May 7, 2014, an amended proposed order that states the specific relief sought.

3. Accordingly, the Creditors hereby file a revised Proposed Order (the “**Revised Proposed Order**”) attached hereto as **Exhibit A**. A blackline comparing the Revised Proposed Order to the Proposed Order is attached hereto as **Exhibit B**.

4. In response to the subpoenas served on DIA Corp. by the Creditors, as well as informal and formal document requests made by the Creditors to DIA Corp. and the City, DIA Corp. has already agreed to provide the Creditors with certain of the items reflected in the Revised Proposed Order. Specifically, DIA Corp. has already agreed to provide the Creditors with, among other things, (i) the list of the “Items Included in the *City art collection*” that was attached as Exhibit 2 to the Operating Agreement for The Detroit Institute of Arts between the City of Detroit and the Founders Society Detroit Institute of Arts, City Contract No. 77009, dated December 12, 1997, referenced in paragraph 3(a) of the Revised Proposed Order, (ii) audited financial statements for DIA Corp. for the period referenced in paragraph 3(b) of the Revised Proposed Order, (iii) DIA Corp.’s current insurance policies and (iv) provenance information, object files and donor files for a list of approximately 500 works of Art housed at the DIA that may have been given an estimated value for insurance purposes of \$1 million or more. Accordingly, the items in paragraphs 3(a), 3(b), 3(c) and 5(b) of the Revised Proposed Order should not impose any significant additional burden on the City or DIA Corp. In addition, granting the Interested Parties physical access to certain Selected Art (as defined in the Revised Proposed Order) pursuant to paragraph 5(a) of the Revised Proposed Order will enable the Interested Parties to complete their due diligence in an efficient manner without overburdening the City or DIA Corp.

DATED: May 7, 2014
Houston, Texas

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on May 7, 2014 the *Notice of Revised Proposed Order in Connection with Motion of Creditors for Entry of an Order Pursuant to Section 105(A) of the Bankruptcy Code Directing the Debtor to Cooperate with Interested Parties Seeking to Conduct Due Diligence on the Art Collection Housed at the Detroit Institute of Arts* was filed and served via the Court's electronic case filing and noticing system to all registered users that have appeared in this Adversary Proceeding.

/s/ Alfredo R. Pérez
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Dated: May 7, 2014

EXHIBIT A

Revised Proposed Form of Order

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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| | : | |
| In re | : | Chapter 9 |
| | : | |
| CITY OF DETROIT, MICHIGAN, | : | Case No. 13-53846 |
| | : | |
| Debtor. | : | Hon. Steven W. Rhodes |
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**ORDER PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE DIRECTING THE DEBTOR TO COOPERATE
WITH INTERESTED PARTIES SEEKING TO CONDUCT DUE DILIGENCE
ON THE ART COLLECTION HOUSED AT THE DETROIT INSTITUTE OF ARTS**

Upon the motion (the “**Motion**”) of the Creditors¹ for an order directing the City of Detroit, Michigan (the “**City**” or the “**Debtor**”), the debtor in the above-captioned case (the “**Chapter 9 Case**”), to cooperate with certain interested parties seeking to conduct due diligence on the art collection of the City housed at the Detroit Institute of Arts (the “**Art**”); and the Court having jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the hearing to consider the relief requested therein (the “**Hearing**”) having been given to all parties registered to receive electronic notices in this matter; and the Court having held the Hearing with the appearances of interested parties noted in the record of the Hearing; and upon the entire record of all the proceedings before the Court; and the

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

legal and factual bases set forth in the Motion establishing just and sufficient cause to grant the relief requested therein; and the relief granted herein being in the best interests of the City, its creditors and other parties in interest; and the relief requested herein being necessary, reasonable and appropriate;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The objections to entry of this Order are overruled in their entirety.
3. As soon as practicable, the City shall provide (or direct DIA Corp. to

provide) each of the Interested Parties with:

- a. a list of each of the works of Art housed at the DIA, including for each work: (i) the name of the work, (ii) the name of the artist, (iii) the number used by the DIA to identify the object, *i.e.* the “object numbers,” and (iv) the date the work was created, which list shall be in the form of an updated electronic version of the list of the “Items Included in the *City art collection*” that was attached as Exhibit 2 to the Operating Agreement for The Detroit Institute of Arts between the City of Detroit and the Founders Society Detroit Institute of Arts, City Contract No. 77009, dated December 12, 1997;
- b. copies of the annually prepared financial statements for DIA Corp. for the past three years; and
- c. copies of all insurance policies currently held by the City or DIA Corp. relating to the Art housed at the DIA.

4. Each of the Interested Parties shall provide the City with a list of selected works of Art, not to exceed 5% of the total collection of Art housed at the DIA (the “**Selected Art**”).

5. As soon as practicable after receiving each list of Selected Art, the City shall provide (or direct DIA Corp. to provide) each of the Interested Parties with:

- a. physical access to inspect the front and back of each piece of Selected Art on its list, including the ability to take a digital

photograph of the front and back of each piece of Selected Art on its list; and

- b. for each piece of Selected Art on its list, access to any (i) condition reports, (ii) provenance information, (iii) object files, (iv) donor files or (v) other documentation regarding ownership or any limitations or restrictions on the ownership, title, acquisition, donation, transfer, use, display, reproduction, sale or disposition of such piece.²

6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, enforcement and/or interpretation of this Order.

Dated: _____, 2014
Detroit, Michigan

STEVEN RHODES
UNITED STATES BANKRUPTCY JUDGE

² To the extent any of this information is available in an electronic format, the City shall provide (or shall direct DIA Corp. to provide) each of the Interested Parties access to such information in an electronic format, including by providing access to any electronic database maintained in connection with the DIA or the City art collection, including (i) TMS and (ii) Detroit Art Registration Information System (D.A.R.I.S.), to the extent feasible.

EXHIBIT B

Blackline of Revised Proposed Form of Order

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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In re : **Chapter 9**
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CITY OF DETROIT, MICHIGAN, : **Case No. 13-53846**
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Debtor. : **Hon. Steven W. Rhodes**
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**ORDER PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE DIRECTING THE DEBTOR TO COOPERATE
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Upon the motion (the “**Motion**”) of the Creditors¹ for an order directing the City of Detroit, Michigan (the “**City**” or the “**Debtor**”), the debtor in the above-captioned case (the “**Chapter 9 Case**”), to cooperate with certain interested parties seeking to conduct due diligence on the art collection of the City housed at the Detroit Institute of Arts (the “**Art**”); and the Court having jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the hearing to consider the relief requested therein (the “**Hearing**”) having been given to all parties registered to receive electronic notices in this matter; and the Court having held the Hearing with the appearances of interested parties noted in the record of the Hearing; and upon the entire record of all the proceedings before the Court; and the

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

legal and factual bases set forth in the Motion establishing just and sufficient cause to grant the relief requested therein; and the relief granted herein being in the best interests of the City, its creditors and other parties in interest; and the relief requested herein being necessary, reasonable and appropriate;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The objections, ~~if any~~, to entry of this Order are overruled in their entirety.
3. As soon as practicable, the City shall provide (or direct DIA Corp. to

provide) each of the Interested Parties with:

- a. a list of each of the works of Art housed at the DIA, including for each work: (i) the name of the work, (ii) the name of the artist, (iii) the number used by the DIA to identify the object, i.e. the “object numbers,” and (iv) the date the work was created, which list shall be in the form of an updated electronic version of the list of the “Items Included in the City art collection” that was attached as Exhibit 2 to the Operating Agreement for The Detroit Institute of Arts between the City of Detroit and the Founders Society Detroit Institute of Arts, City Contract No. 77009, dated December 12, 1997;
- b. copies of the annually prepared financial statements for DIA Corp. for the past three years; and
- c. copies of all insurance policies currently held by the City or DIA Corp. relating to the Art housed at the DIA.

4. ~~3. The City shall cooperate with~~Each of the Interested Parties ~~as soon as practicable so that the Interested Parties can conduct due diligence on the Art, including by inspecting the physical works~~shall provide the City with a list of selected works of Art, not to exceed 5% of the total collection of Art housed at the DIA ~~as well as all relevant documentation related thereto, in order to develop firm bids for the City to consider~~(the “Selected Art”).

5. As soon as practicable after receiving each list of Selected Art, the City shall provide (or direct DIA Corp. to provide) each of the Interested Parties with:

- a. physical access to inspect the front and back of each piece of Selected Art on its list, including the ability to take a digital photograph of the front and back of each piece of Selected Art on its list; and
- b. for each piece of Selected Art on its list, access to any (i) condition reports, (ii) provenance information, (iii) object files, (iv) donor files or (v) other documentation regarding ownership or any limitations or restrictions on the ownership, title, acquisition, donation, transfer, use, display, reproduction, sale or disposition of such piece.²

6. ~~4.~~ The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, enforcement and/or interpretation of this Order.

Dated: _____, 2014
Detroit, Michigan

STEVEN RHODES
UNITED STATES BANKRUPTCY JUDGE

² To the extent any of this information is available in an electronic format, the City shall provide (or shall direct DIA Corp. to provide) each of the Interested Parties access to such information in an electronic format, including by providing access to any electronic database maintained in connection with the DIA or the City art collection, including (i) TMS and (ii) Detroit Art Registration Information System (D.A.R.I.S.), to the extent feasible.

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| Style name: Default Style | |
| Intelligent Table Comparison: Active | |
| Original DMS: iw://USDMS/US_Active/44476943/1 | |
| Modified DMS: iw://USDMS/US_Active/44476943/2 | |
| Changes: | |
| <u>Add</u> | 25 |
| Delete | 8 |
| Move From | 0 |
| <u>Move To</u> | 0 |
| <u>Table Insert</u> | 0 |
| Table Delete | 0 |
| <u>Table moves to</u> | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format Changes | 0 |
| Total Changes: | 33 |